

HOUSE BILL NO. 392

INTRODUCED BY M. PHILLIPS

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE PUBLIC SERVICE COMMISSION TO ALLOW COST RECOVERY BY A PUBLIC UTILITY FOR RESEARCH AND DEVELOPMENT OF RENEWABLE ELECTRICAL GENERATION RESOURCES; AMENDING SECTIONS 69-3-109 AND 69-3-1202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 69-3-109, MCA, is amended to read:

"69-3-109. Ascertaining property values -- cost recovery. ~~The (1) Except as provided in subsection (2), the~~ commission may, in its discretion, investigate and ascertain the value of the property of each public utility actually used and useful for the convenience of the public. The commission is not bound to accept or use any particular value in determining rates. However, if any value is used, the value may not exceed the original cost of the property, except that the commission may include all or some of an acquisition adjustment for certain property purchased by a public utility in the purchasing utility's rate base if the transfer of the property to the purchasing utility is in the public interest. In making the investigation, the commission may avail itself of all information contained in the assessment rolls of various counties or in the public records of the various branches of the state government or of any other information obtainable, and the commission may at any time on its own initiative make a revaluation of the property.

(2) The commission may authorize the recovery of expenditures and a rate of return on investments made by a public utility for research and development of renewable electrical generation resources, even if the public utility's investment is not subsequently used and useful."

Section 2. Section 69-3-1202, MCA, is amended to read:

"69-3-1202. Policy -- planning. (1) It is the policy of the state of Montana to supervise, regulate, and control public utilities. To the extent that it is consistent with the policy and in order to benefit society, the state encourages efficient utility operations, efficient use of utility services, and efficient rates. It is further the policy of the state to encourage utilities to acquire resources in a manner that will help ensure a clean, healthful, safe, and

1 economically productive environment.

2 (2) ~~The~~ Except as provided in 69-3-109(2), the legislature finds that the commission may include in rates
3 the costs that are associated with acquiring the resources referred to in subsection (1) and that are consistent
4 with this policy if the resources are actually used and useful for the convenience of the public. To advance this
5 policy, the commission may require periodic long-range plans from utilities that provide electric and natural gas
6 service in a form and manner determined by the commission. The commission may receive comments on the
7 plans.

8 (3) This part does not constrain or limit the commission's existing statutory duties or responsibilities."
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10 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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